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File No. 25495.94

**VIA ELECTRONIC FILING**

Honorable Tonianne J. Bongiovanni, U.S.M.J.  
United States District Court  
District of New Jersey  
Clarkson S. Fisher Building & U.S. Courthouse  
402 East State Street  
Trenton, New Jersey 08608

Re: **JOHN ANTHONY CASTRO v. GLENN R. REISER, ET AL.**  
Civil Action No. 3:23-cv-02120

Dear Judge Bongiovanni:

Please be advised that our office represents Defendants Glenn R. Reiser and LoFaro & Riser, L.L.P., (the "Reiser Defendants") in the above-captioned matter. You are scheduled to hold a telephone status conference tomorrow, June 21, 2024, at 1:30 p.m. I write to advise Your Honor that I am unsure if Plaintiff will be able to participate in the call. According to the attached press release from the U.S. Attorney's Office, Northern District of Texas, Plaintiff was recently convicted of 33 counts of tax fraud. Charges similar to those alleged against him in the underlying litigation which led to his filing of the present action. It appears from the press release that Plaintiff was taken into custody and is presently awaiting sentencing.

Even if Plaintiff is unable to appear, I would respectfully request the conference move forward so that I can seek Your Honor's guidance as to how to proceed with this matter.

Respectfully submitted,

*/s/ Jeffrey S. Leonard*

Jeffrey Leonard of  
LEWIS BRISBOIS BISGAARD & SMITH LLP

JL:ldd  
Enclosure  
cc: All counsel via ECF

Friday, May 24, 2024

**For Immediate Release**

U.S. Attorney's Office, Northern District  
of Texas

A would-be lawyer who falsely inflated dozens of client tax returns was convicted Friday of 33 counts of tax fraud, announced U.S. Attorney for the Northern District of Texas Leigha Simonton.

John Anthony Castro, 40, owner of the virtual tax preparation business Castro & Company, was indicted in January. Following a five-day bench trial before Senior U.S. District Judge Terry R Means, he was convicted on all 33 counts of assisting in the preparation of a fraudulent return and was immediately taken into custody.

“While most tax preparers are honest and provide honest tax services to their clients, some like Mr. Castro victimize their clients all in the name of greed,” stated Jenifer L. Piovesan, Special Agent in Charge, IRS Criminal Investigation, Newark Field Office. “Mr. Castro is now a convicted felon facing a lengthy prison sentence.”

According to evidence presented in court, Mr. Castro –who had graduated law school but repeatedly failed the bar exam –held himself out as an “international tax expert” and “federal practitioner.” (He also falsely claimed to be a graduate of West Point.)

Mr. Castro claimed deductions based on extreme and unsupported legal theories, including deductions such as (1) those for any expense related to preventing an illness qualified as an “impairment related work expense,” (2) those for expenses related to commuting to and from work, (3) the full value of one’s mortgage and utilities as long as the taxpayer had some type of Schedule C business to claim, (4) those related to dry-cleaning for work clothes, and (5) the full value of one’s cell phone bill even when their employer provided them with a work phone. For example, with respect to one client, Mr. Castro deducted over \$26,000 in expenses that he claimed related to a nascent cupcake business that had generated only \$250 in revenue.

According to trial testimony, in February 2018, an undercover IRS – CI agent contacted Mr. Castro for assistance. The agent asked to meet with Mr. Castro in person, but Mr. Castro’s office told him that in-person meetings required a \$5,000 retainer. They spoke via email instead.

On February 13, 2018, the undercover agent submitted a W2 and a Form 1098-T showing wages of \$142,217. About two weeks later, one of Mr. Castro’s employees called the agent to discuss deductions, noting that Mr. Castro would make any decisions regarding what items would be included on the tax filing. The agent denied having any unreimbursed employee expenses, charitable contributions, or other items that could lead to deductions.

On March 12, 2018, Mr. Castro sent the undercover agent his tax analysis. He said that if the agent used another preparer, he would receive a refund of \$373, but that if he used Mr. Castro, he would receive a refund of \$6,007. Mr. Castro would take half, netting him \$3,008. The analysis said the return would include \$29,339 in deductions but did not specify which deductions would be used.

Two days later, Mr. Castro filed the agent’s return, which claimed \$29,339 in fraudulent deductions, including \$2,400 in employee expenses, and 28,600 in other expenses that the

Many of the victim-taxpayers have since been audited and/or filed amended returns, causing them significant financial hardship.

Mr. Castro now faces up to 99 years in federal prison, three years per count.

IRS Criminal Investigation conducted the investigation. Assistant U.S. Attorneys P.J. Meitl and Nancy Larson are prosecuting the case.

## Contact

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*Updated May 28, 2024*

## Topic

TAX

## Component

USAO - Texas, Northern